



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

January 3, 2002

TO: Minerals File

FROM: Tom Munson, Reclamation Specialist *TM*

RE: Site Inspections, Gemstone Mining Incorporated, Red Emerald Mine, M/001/045, Beaver County, Utah

Date of Inspection: 11/8/2001, 12/4/2001, 12/21/2001, and 1/8/2002 (BLM Inspection)
Time of Inspection: 9:00 a.m.-2:00 p.m.
Conditions: Cold and cloudy
Participants: Clint Christiansen, Construction and Mining Services (CMS), and Dominique Merz, President of GMI; Ed Ginouves, BLM; and Tom Munson, DOGM

Purpose of Inspection: The purpose of these three inspections by the Division and one by the BLM was to track and confirm reclamation of the site.

Getting to the site: Travel South of Milford towards Minersville until you turn right on the main road across the valley. Travel on the mine road from this paved road to the mine.

Observations:

11/8/2001

During this inspection we met onsite with Mr. Dominique Merz and Clint Christiansen of CMS. We discussed the requirements of reclamation and what needed to occur so that Gemstone Mining Inc. could get their reclamation bond money released. We talked about the timeframes involved. Mr. Merz stated that he felt the entire reclamation would be done by the end of the year, including regrading and seeding. Mr. Merz stated that CMS would do the reclamation work. The Division and BLM would be working with them to determine that it was done correctly. Photos were taken of the site

12/4/01

During this inspection, reclamation had commenced and the upper pit had been filled in. CMS was working on moving topsoil around the hill to put on the lower pad. At this time, they were using a dozer and a trackhoe to complete the project. The comments made by CMS and what was resolved during this inspection was the adequacy of the substitute topsoil and the amounts that were being applied. The original plan called for the application of soil amendments, and as such, this was considered a deviation from the original plan since they choose to forgo the soil amendments in lieu of the application of substitute topsoil. Several test pits were dug across the upper pit with a shovel to

0001

determine the amounts of topsoil applied and it was determined to be anywhere between 6-12 inches or deeper.

12/21/01

The next and final DOGM inspection occurred on this date and was merely to confirm that the commitments made by CMS were carried out and that the regrading work was almost complete. At the time of inspection there were three pieces of equipment, a trackhoe, dozer, and articulated dump truck for hauling topsoil. Regrading and topsoiling work was almost completed on the lower storage pad and the Harris pit. It was determined that one more inspection would be required by the BLM to confirm that the final topsoiling and seeding had been accomplished and a partial bond release could be granted.

BLM inspection 1/8/01

The final site inspection was carried out by Ed Ginouves of the BLM. The site inspection including all the necessary earthwork and reseeding had been satisfactorily completed for the mine site area with the exception of the following:

- 1.) The mine access gate is still in place.
- 2.) The mine road from the access gate to the mine office pad is unreclaimed.
- 3.) The mine office pad is unreclaimed.
- 4.) The mine office and storage shed are still in place.

Conclusions and Recommendations:

After the completion of these inspections it is now appropriate to release the reclamation funds related to regrading of the site. Reclamation funds should be withheld to amend the soils, reseed, and roughen the surface if seeding does not take. Reclamation funds will also be withheld to reclaim the four items listed above until such time as a replacement bond is posted by Red Emerald Inc.



P0003008.JPG
12/04/1901



P0003009.JPG
12/04/1901



P0003010.JPG
12/04/1901



P0003011.JPG
12/04/1901

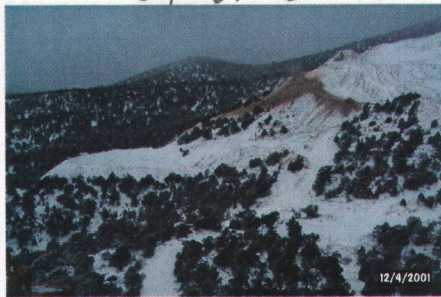


P0003012.JPG
12/04/1901



P0003013.JPG
12/04/1901

MOVING MATERIAL
FROM BACKSIDE TO FRONT
OF UPPER PIT



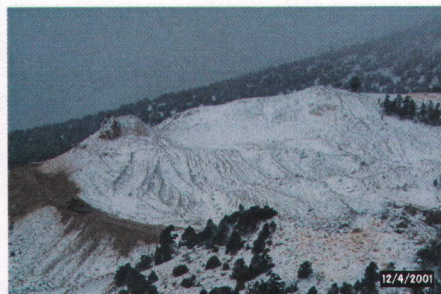
P0003014.JPG
12/04/1901



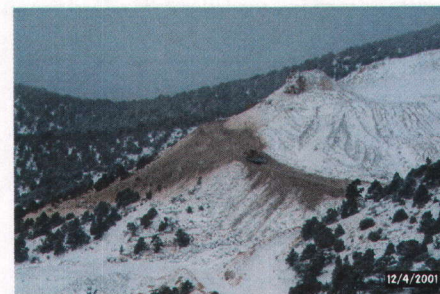
P0003015.JPG
12/04/1901



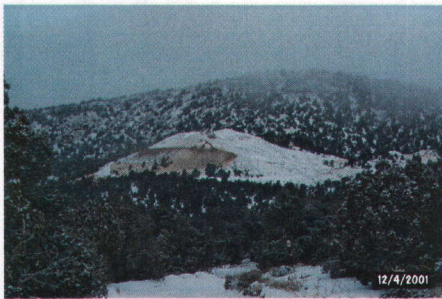
P0003016.JPG
12/04/1901



P0003017.JPG
12/04/1901



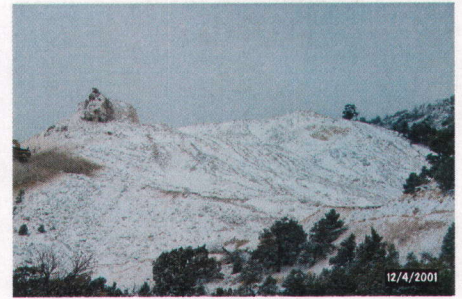
P0003018.JPG
12/04/1901



P0002996.JPG
12/04/1901



P0002997.JPG
12/04/1901

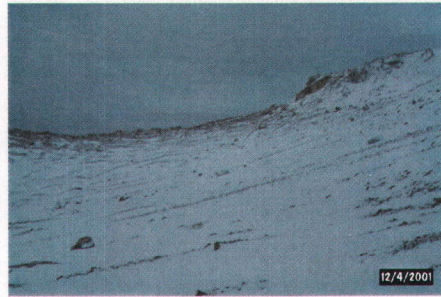


P0002998.JPG
12/04/1901

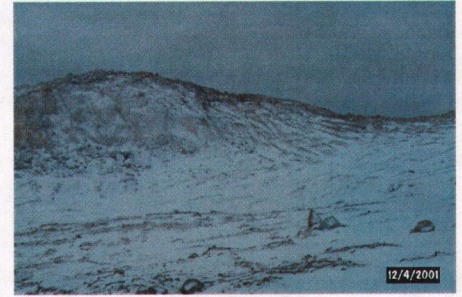
UPPER PIT



P0002999.JPG
12/04/1901

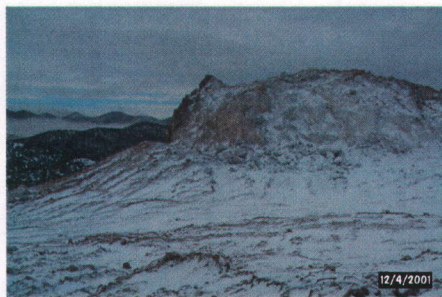


P0003000.JPG
12/04/1901



P0003001.JPG
12/04/1901

UPPER PIT REGRAVING



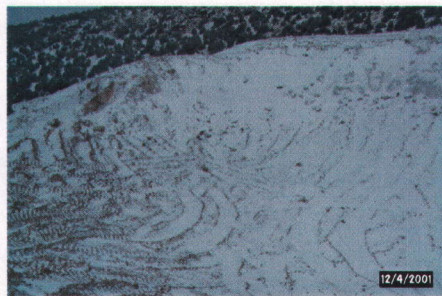
P0003002.JPG
12/04/1901



P0003003.JPG
12/04/1901



P0003004.JPG
12/04/1901



P0003005.JPG
12/04/1901



P0003006.JPG
12/04/1901



P0003007.JPG
12/04/1901



P0002876.JPG
11/08/1901



P0002877.JPG
11/08/1901



P0002878.JPG
11/08/1901



P0002879.JPG
11/08/1901



P0002880.JPG
11/08/1901



P0002881.JPG
11/08/1901



P0002882.JPG
11/08/1901



P0002883.JPG
11/08/1901



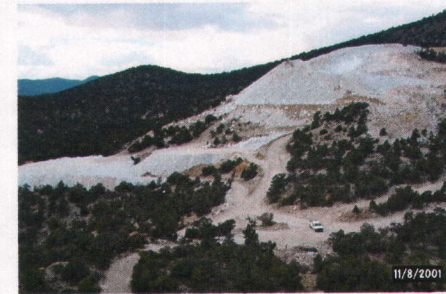
P0002884.JPG
11/08/1901



P0002885.JPG
11/08/1901



P0002886.JPG
11/08/1901



P0002887.JPG
11/08/1901



P0002891.JPG
11/08/1901



P0002865.JPG
11/08/1901



P0002866.JPG
11/08/1901



P0002867.JPG
11/08/1901



P0002868.JPG
11/08/1901



P0002869.JPG
11/08/1901



P0002870.JPG
11/08/1901



P0002871.JPG
11/08/1901



P0002872.JPG
11/08/1901



P0002873.JPG
11/08/1901



P0002874.JPG
11/08/1901



P0002875.JPG
11/08/1901



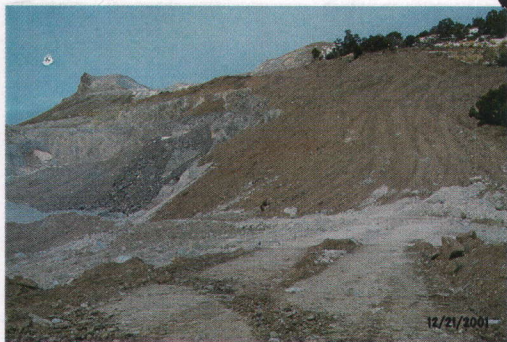
P0002888.JPG
11/08/1901



P0002889.JPG
11/08/1901



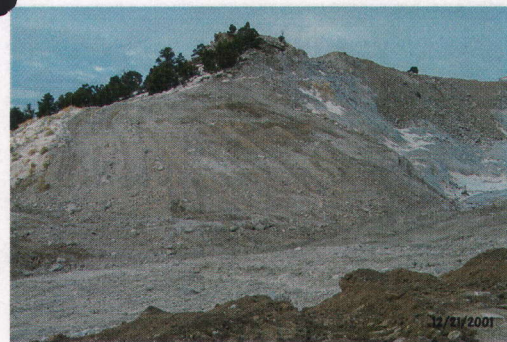
P0002890.JPG
11/08/1901



P0002292.JPG



P0002293.JPG



P0002294.JPG



P0002295.JPG



P0002296.JPG



P0002297.JPG



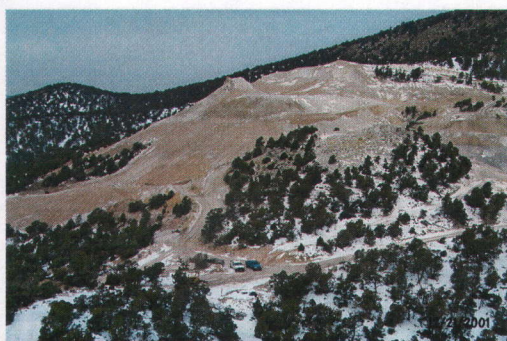
P0002298.JPG



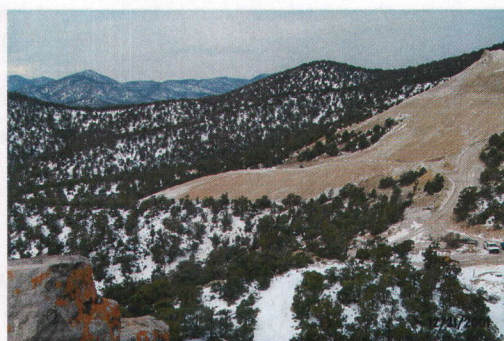
P0002299.JPG



P0002300.JPG



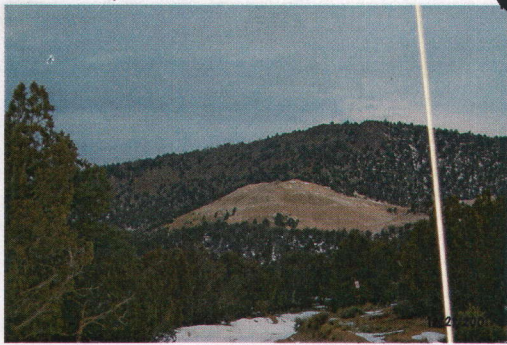
P0002301.JPG



P0002302.JPG



P0002303.JPG



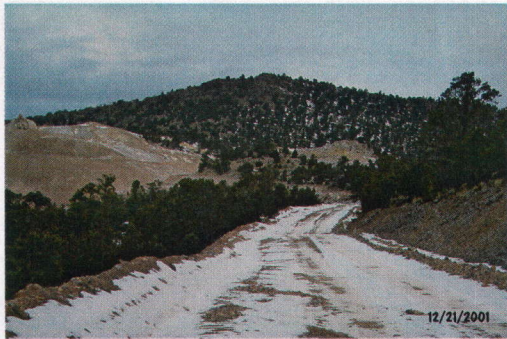
P0002280.JPG



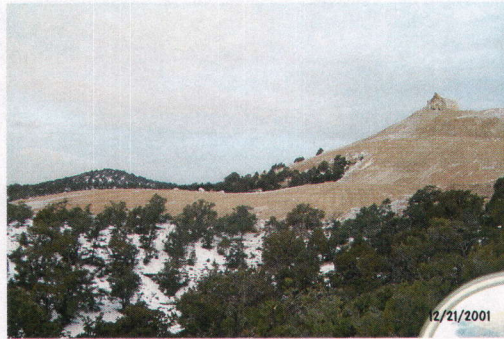
P0002281.JPG



P0002282.JPG



P0002283.JPG



P0002284.JPG



P0002285.JPG



P0002286.JPG



P0002287.JPG



P0002288.JPG



P0002289.JPG



P0002290.JPG



P0002291.JPG



P0002304.JPG



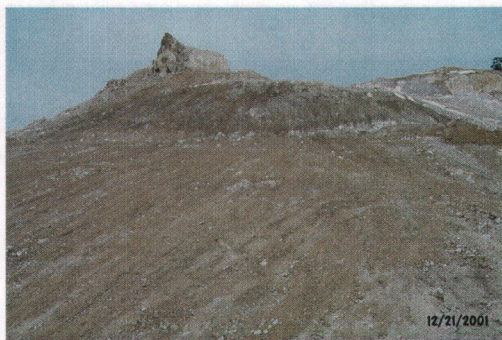
P0002305.JPG



P0002306.JPG



P0002307.JPG



P0002308.JPG



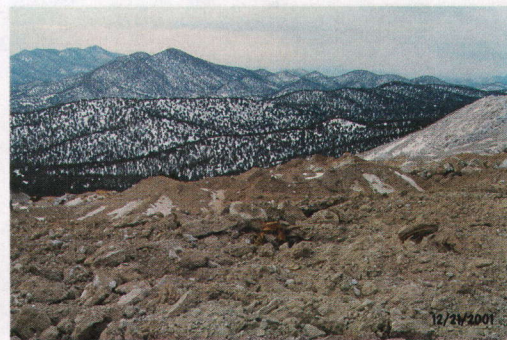
P0002309.JPG



P0002310.JPG



P0002311.JPG



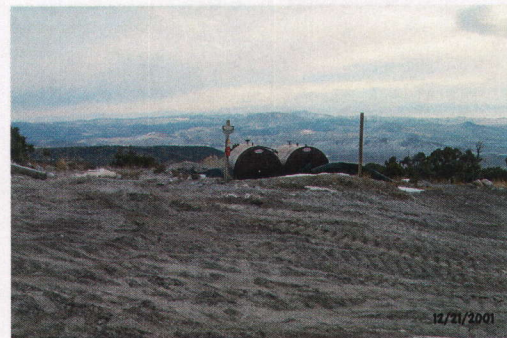
P0002312.JPG



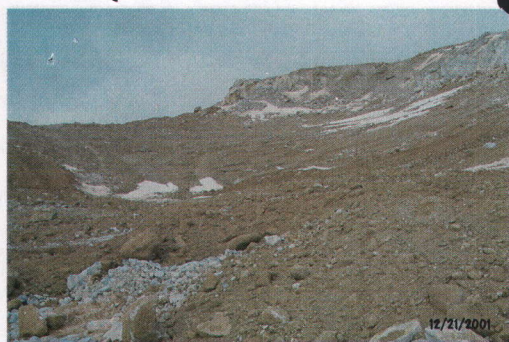
P0002313.JPG



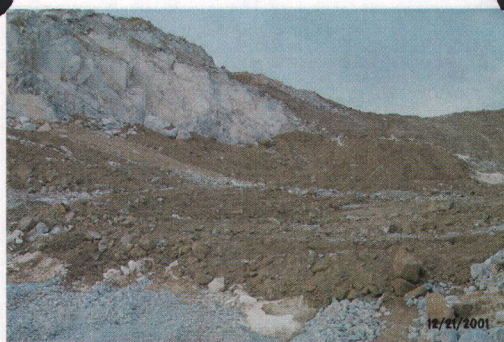
P0002314.JPG



P0002315.JPG



P0002316.JPG



P0002317.JPG



P0002318.JPG



P0002319.JPG



P0002320.JPG



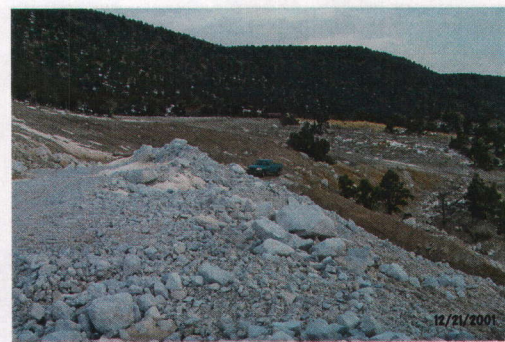
P0002321.JPG



P0002322.JPG



P0002323.JPG



P0002324.JPG



P0002325.JPG



P0002326.JPG



P0002327.JPG



P0002328.JPG



P0002329.JPG



P0002330.JPG

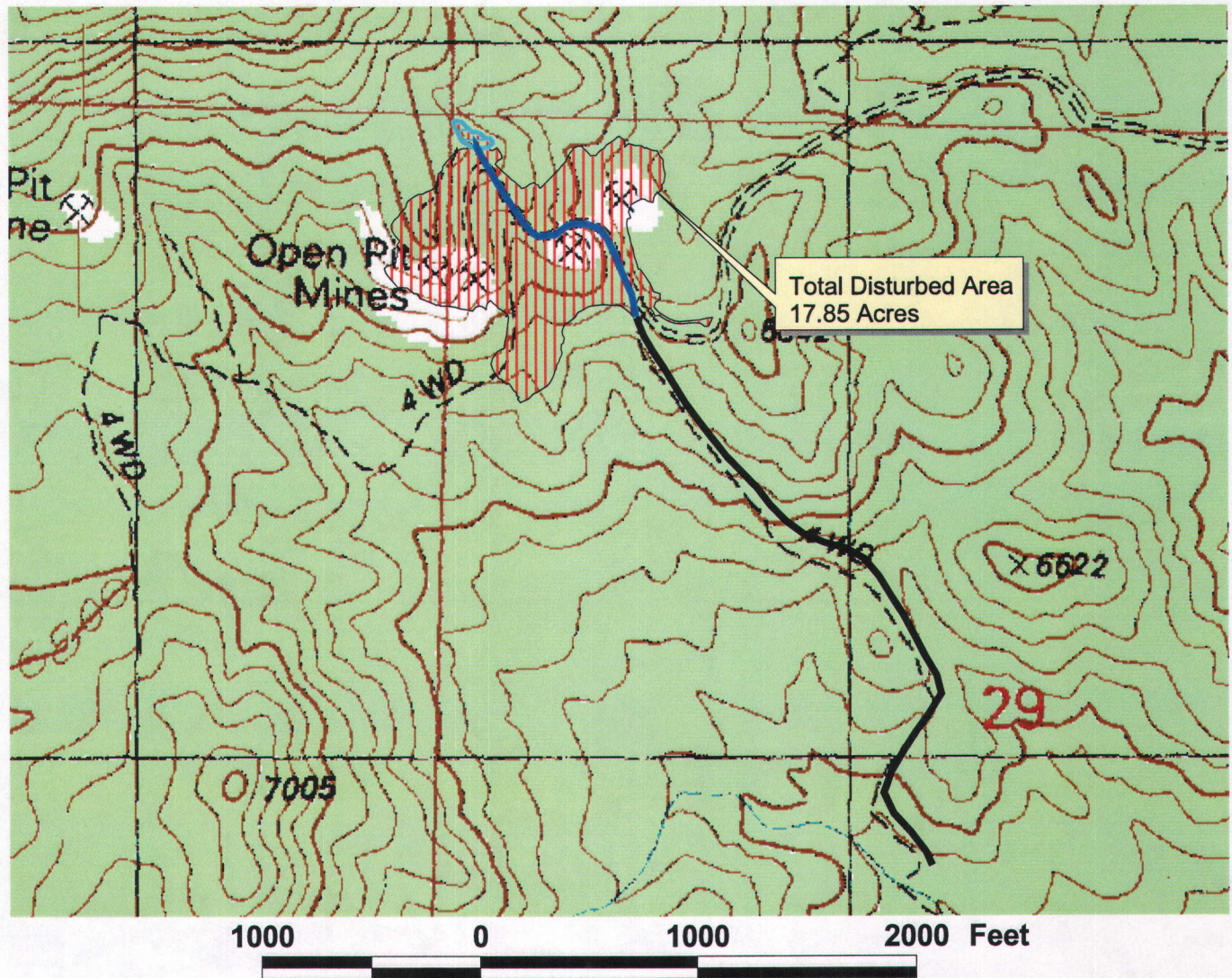






P0002332.JPG

The Red Emerald Mine

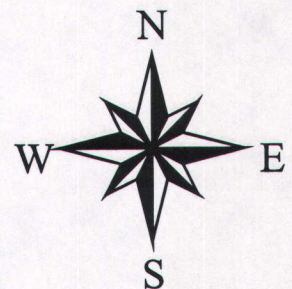
Gemstone Mining Inc.

M/001/045



-  Pad
-  Road Through Reclaimed Area
-  Road from gate to mine
-  Current mine related disturbance

This map was generated on 1/23/2002
and corresponds to the attached bond estimate



This product may not meet DOGM standards for accuracy and content. Different data sources and input scales may cause misalignment of data layers.